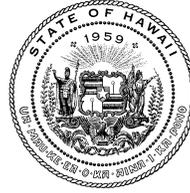


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GOVERNOR

SHAN TSUTSUI  
LT. GOVERNOR



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## COUNCIL ON REVENUES

STATE OF HAWAII  
P.O. BOX 259  
HONOLULU, HAWAII 96809-0259

August 3, 2015

The Honorable David Y. Ige  
Governor, State of Hawaii  
Executive Chambers  
State Capitol, Fifth Floor  
Honolulu, HI 96813

Dear Governor Ige:

In its meeting on July 30, 2015, the Council on Revenues raised its forecast for growth in Hawaii total personal income (TPI) for calendar year 2015 from 3.5% to 4.0%. The Council also made a forecast for TPI growth of 4.0% for calendar year 2016.

The new TPI forecasts were slightly below the averages of the forecasts for TPI that the members had submitted for the Council's General Fund meeting of May 21, 2015. The members noted that all sectors of Hawaii's economy appeared to be growing at about the rate of the new forecast (4%).

The members also noted that although federal and state government incomes were still declining, the declines were expected to diminish or end by 2016. Tourism, building permits and construction jobs were up, but tourism in the last quarter of 2014 was particularly strong, so growth from that base may be difficult. Unemployment has continued to drop. If the Federal Reserve increases interest rates, it will be in response to solid growth, so the rate increase should not lead to expectations that economic growth will slow.

The revised data for Hawaii's TPI for calendar years 2010 through 2014, along with the Council's forecasts for 2015 and for 2016, are shown below:

<b>Calendar Year</b>	<b>Millions of Dollars</b>	<b>% Growth From Previous Year</b>
2010	\$56,824	2.02%
2011	\$59,192	4.17%
2012	\$61,968	4.69%
2013	\$63,468	2.42%
2014	\$65,874	3.79%
2015 (Forecast)	\$68,509	4.00%
2016 (Forecast)	\$71,249	4.00%

The Honorable David Y. Ige

August 3, 2015

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Please advise us if we can be of further assistance or if you have any questions concerning the foregoing estimates.

Very truly yours,

A handwritten signature in black ink, appearing to read "Kurt Kawafuchi". The signature is fluid and cursive, with a large initial "K" and a long horizontal stroke at the end.

KURT KAWAFUCHI  
Chair, Council on Revenues